

STANDARD OIL COMPANY METHODS SUBJECT OF SPECIAL MESSAGE

President Transmits Report of Commissioner Garfield to Congress and Comments on Document.

ROGERS AND ARCHBOLD REPLY TO NATION'S EXECUTIVE

Issue Elaborate Defense of Great Corporation, Contending It Is Conducted Along Honorable Business Lines and That Home Competition Is Not Crushed.

Washington.—President Roosevelt today transmitted to congress the report of James H. Garfield, commissioner of the Interstate Commerce Commission, on the subject of transportation and freight rates in connection with the oil industry.

In his message the president expresses the view that the report is of capital importance because of the effort now being made to secure such enlargement of the powers of the Interstate Commerce Commission as will confer upon the commission power to enforce its orders in the oil industry.

At the same time, the president says that the report is of capital importance because of the effort now being made to secure such enlargement of the powers of the Interstate Commerce Commission as will confer upon the commission power to enforce its orders in the oil industry.

A copy of the report of the investigation has been sent to the Interstate Commerce Commission, the major portion of which was promptly corrected by the railroad, as that most of them have now been done.



PRESIDENT ROOSEVELT

away with. This immediate correction, partial or complete, of the evil of the secret rates is, of course, on the one hand an acknowledgment that they were wrong and yet were persevered in until exposed; and, on the other hand, a proof of the efficiency of the work that has been done by the bureau of corporations.

"But in addition to these secret rates the Standard Oil profits immensely by open rates, which are so arranged as to give it an overwhelming advantage over its independent competitors."

Controls the Market.

It is not possible, he says, to put into figures the exact amount by which the Standard profits through the gross favoritism shown it by the railroads in connection with the open rates. "The profit, of course, comes not merely by the saving in the rate itself as compared with its competitors, but by the higher prices it is able to charge and by the complete control of the market which it secures, thereby getting the profit on the whole consumption."

There Are Others.

It is unfortunately not true, he says, that the Standard Oil company is the only corporation which has benefited and is benefiting in wholly improper fashion by an elaborate series of rate discriminations. The sugar trust, he adds, according to the results of the investigation now in progress, rarely if ever pays the lawful rate for transportation. He declares that in the effort to prevent the railroads from uniting for improper purposes "we have very unwisely prohibited them from uniting for proper purposes; that is, for purposes of protecting themselves and the general public as against the power of the great corporations."

Correctionary Measures.

He favors as an element of competition the passage of some such law

as that which has already passed the house, putting alcohol used in the arts and manufactures upon the free list and of exempting the fee to oil and coal lands of the Indian tribes or on the public domain in the government, the lands to be leased only on such terms and for such periods as will enable the government to entirely control them.

TRANSPORTATION GREAT FACTOR IN COMPETITION.

In summarizing his report Commissioner Garfield speaks of his personal visit to the oil fields and of the great mass of data obtained by him either personally or through agents of the bureau of corporations. The preliminary study of this material, he says, showed that the most important subject was transportation, which enters so largely into the cost of furnished product and hence a most important factor in competition.

"The Standard claims that the location of its refineries and the use of pipe lines are natural advantages to which it is justly entitled by reason of the energy and foresight of its managers. While in a measure that is true, it may not be forgotten that these advantages were in part obtained by means of unfair competitive methods after years of industrial strife."

"The development of the pipe line system by the Standard Oil company was the result of special agreements with railroad companies. Furthermore, those so-called natural advantages have been and are being greatly increased by discriminations in freight rates, both published and secret, interstate and state, which give the Standard monopolistic control in the greater portion of the country."

Oil Price Is Gauge.

"An immediate result of this delimitation of the competitive area is shown by the prices of ordinary illuminating oil. After deducting the freight rate the price of such oil is usually from two cents to five cents a gallon higher in the non-competitive than in the competitive fields. A reasonable profit upon refined oil is about one-half a cent per gallon. It is clear that exorbitant profits are obtained in the non-competitive fields."

In 1904 these secret rates saved the Standard Oil company three-quarters of a million dollars, representing the difference between the open rates and the rates actually paid. "These discriminations," he says, "have been so long continued, and so secret, so ingeniously applied to new conditions of trade, and so large in amount as to make it certain that they were due to concerted action by the Standard and the railroads." He says further that the Standard Oil company is receiving unjust discriminations in the matter of open rates, the published rates from the leading Standard shipping points being relatively much lower than rates from the shipping points of its competitors.

Roads Abolish Secret Tariffs.

Mr. Garfield then refers to seven instances of important discriminations in favor of the Standard Oil company in various parts of the country, and says that most of the secret rates and some of the open discriminations discovered by the bureau were abolished by the railroads shortly after such discovery. After calling attention to the good which already has resulted from the investigation, Mr. Garfield says that the changes effected have put the independents upon a fairer footing and make competition possible in territories heretofore inaccessible. The report concludes as follows:

"Tariffs may be made and rates may be combined in such a manner as to make it practically impossible for the ordinary shipper to find them."

STANDARD MAGNATES REPLY TO PRESIDENT.

New York.—In reply to President Roosevelt's message and the report of Commissioner Garfield, Messrs. H. H. Rogers and John D. Archbold, of the

Standard Oil company, made the following statement to the press:

"In the president's effort to secure the passage of a bill enlarging the powers of interstate commerce commission and just and equitable railway rates, we have precisely the same interest that any good citizen has. No more and no less. Regarding his criticisms upon the management of the railroads, or his strictures upon any acts of the interstate commerce commission, we have neither responsibility nor concern. When, however, he or Commissioner Garfield attacks the Standard Oil company and uses its methods of doing business as an object lesson for the purpose of promoting his views, we protest. It may be frankly stated at the outset that the Standard Oil company has at all times within the limits of fairness and with due regard for the law, sought to secure the most advantageous freight rates and routes possible.

Corporation Is Upright.

"We say flatly that any assertion that the Standard Oil company has been or is now knowingly engaged in practices which are unlawful is alike untruthful and unjust."

"The commissioner's report, upon which the president's message is based, opens with the statement that the manufacture of refined oil in this country is about 20,000,000 barrels annually. It would have been fair for him to have stated that over 15,000,000 of barrels of this annual manufacture is exported.

"He next calls attention to the fact that the Standard Oil refineries are located at centers of distribution, while the independent refineries are usually in the crude oil fields. He charges



JOHN D. ROCKEFELLER

that this location of refineries and the natural advantages following it were obtained by means of unfair competitive methods, but beyond this mere assertion does not go into a history or explanation of these alleged unfair methods at all. He says the 'development of the pipe line system by the Standard Oil company was the result of special agreement with the railroad companies.' As a matter of fact, the development of the pipe line system by the Standard Oil company was in the face of violent hostility on the part of the railroads."

Conditions in New England.

"Passing from this point, Commissioner Garfield takes up the question of favoritism, which he alleges has been shown by various railroad corporations to the Standard Oil company. The first specific case of alleged discrimination to which he directs attention is in the New England territory. It is charged that we enjoy a monopoly in certain parts of that section because some of the railroads there refuse to prorate. (A usual inquiry would show that the New England roads are simply doing what they are forced to do by natural conditions. Obviously, we have an advantage by the use of our pipe lines from the western oil fields to the coast and the use of water transportation thence to New England over anyone who uses all rail transportation from western points.)

Some of our competitors do the same thing and deliver oil at the points in New England that we do by the same process."

Question of Rebates.

"The commissioner says that 'with one or two exceptions the investigations of the bureau have as yet discovered no rebates in the technical sense on interstate business.' 'He says the Standard Oil company has habitually received from the railroads, and is now receiving, 'secret' rates and other unjust and illegal discriminations. It is hardly fair or manly for him to add the sentence, 'Of course there may be other secret rates which the bureau has not discovered.'"

Does Not Crush Competition.

"The statement that the 'Standard Oil company has largely by unfair and unlawful methods crushed out home competition' is fully answered by the fact that home competition has always existed, is steadily growing, and that there are now at least 125 competitive refineries in the United States."

"The Standard Oil company has been investigated over and over again at the instigation of its rivals, and it always welcomed such investigation when conducted in good faith and fairly. We are engaged in a large and honorable business. We are conducting it honorably and we sincerely believe in conformity to law."

Mrs. Duke Will Appeal.

Newark, N. J.—Mrs. James B. Duke has announced through her attorney that she will immediately appeal to the court of errors from Vice Chancellor's Pitney's decision divorcing her from her husband.

Favors Shaw Scheme.

Washington.—Secretary Shaw's bill increasing the percentage of gold bullion that may be held in the reserve fund in the national treasury, was ordered reported favorably by the senate committee on finance.

DYNAMITING OF DANGEROUS WALLS

THREE SOLDIERS CAUGHT UNDER A FALLING FACADE.

ONLY ONE SERIOUSLY HURT

First Day of Official Rest in San Francisco Since the Disaster — The City Thronged With Sightseers.

San Francisco, May 7.—The first accident in connection with the dynamiting of dangerous walls by the engineers of the army took place Sunday. Smaller quantities of explosives than were used last week are now being fired, and this necessitates two or more charges of dynamite being exploded before the desired result is attained. Sunday morning the engineers were working in the downtown districts. Twice had dynamite been exploded under the facade of a tall ruin and a third charge was being inserted, when the wall fell. Three soldiers were buried, but a mass of twisted iron partly shielded them, and only one was seriously hurt.

First Day of Official Rest.

Sunday was the first day of official rest that the city has had since the beginning of the disaster. All of the municipal departments were closed, with the exception of the police stations and hospitals, and Franklin hall, the seat of San Francisco's government, was deserted. The police have had little or nothing to engage their attention.

Open Air Services the Rule.

Among the churches the same conditions prevailed as upon the preceding Sunday, open air services being the rule, even where the buildings were unharmed. At Golden Gate park the usual Sunday band concert was given and was attended by thousands. That the people, as a whole, are beginning to get some diversion, was shown Saturday night, when a great crowd assembled to witness a vaudeville show in a hall on Fillmore street. The authorities, however, at the last moment, refused to permit the performance.

Arrests for Selling Liquor.

Two arrests for selling liquor were made Sunday, and as an indication of the determination to suppress the traffic in intoxicants until the saloons are allowed to reopen, one of the offenders was refused bail, and the other's bond was fixed at \$5,000.

Coroner Walsh, after revising his list of victims of fire and earthquake, informed Gen. Greely that the total number of cases handled by his office was 319, of which 134 were identified and 185 unidentified. This report shows 39 less than given by a previous count.

Thronged With Sightseers.

The streets of the burned districts were thronged Sunday with sightseers. Every train from nearby towns on the peninsula and every freight train from the bay ports was packed with people eager to get their first glimpse of the city's devastation, and almost every third person carried a camera or kodak. In expectation of the crush of people booths of street fakirs sprung up over night along the curbs on the elevated streets, prepared to furnish refreshments, and most of them enjoyed a profitable trade. In many instances the booths were labelled with the names of former famous hostesses, and the incongruity of "hot frankfurters, five cents," beneath the "Palace Hotel," provoked a smile from each passerby.

The work of construction and tearing down continued on all sides, notwithstanding the Sabbath. An earthquake shock was felt Saturday morning, which toppled over unsteadily walls causing clouds of dust and a panic. In several instances laborers quit work.

FOR ALLEGED LAND FRAUDS

Twenty-One Persons Indicted at Portland, Ore., by the United States Grand Jury.

Portland, Ore., May 8.—United States District Attorney W. C. Bristol has made public the names of 21 persons included in the final and most important government land fraud indictments which have been returned by the present federal grand jury which brought to a conclusion its hearings, Sunday, and was discharged. The indictment charges a far-reaching and intricate conspiracy to secure 200,000 acres of some of the finest timber land in Oregon, located in Crook, Lake and Flammatt counties.

If the allegations of the indictment are true, the mode of operations was similar to those of nearly all the conspiracies which have been found in this state.

Warrants will be issued at once for the arrest of the accused.

Secretary Hitchcock Gratified.

Washington, May 8.—Secretary Hitchcock has received a telegram announcing the indictment of 21 well-known citizens at Portland, Ore., in land cases, as told in a press dispatch from that city. Mr. Hitchcock stated that he was exceedingly gratified with the result of the investigation, and that the government's case was considerably strengthened because of the heavy bond fixed by the court—\$4,000 in each case. He said that it was the intention of the department to secure a speedy trial of the cases if possible.

WORST CASE OF ECZEMA.

Spread Rapidly Over Body—Limbs and Arms Had to Be Bandaged—Marvelous Cure by Cuticura.

"My son, who is now twenty-two years of age, when he was four months old began to have eczema on his face, spreading quite rapidly until he was nearly covered. We had all the doctors around us, and some from larger places, but no one helped him a particle. The eczema was something terrible, and the doctors said it was the worst case they ever saw. At times his whole body and face were covered, all but his feet. I had to bandage his limbs and arms; his scalp was just dreadful. A friend teased me to try Cuticura, and I began to use all three of the Cuticura Remedies. He was better in two months, and in six months he was well. Mrs. R. L. Risley, Piermont, N. H., Oct. 21, 1903."

The Boston Way.

Hicks—She's from Boston, isn't she? Wicks—I can't tell. She hasn't had occasion to pronounce the word "either." "She's not from Boston, then. If she were she'd have found the occasion long ago."—Philadelphia Ledger.

Torture of Women.

It was a terrible torture that Mrs. Gertrude McFarland, of King's Mountain, N. C., describes, as follows: "I suffered dreadful periodical pains, and became so weak I was given up to die, when my husband got me Wine of Cardui. The first dose gave relief, and with 3 bottles I am up doing my work. I cannot say enough in praise of Cardui." A wonderful remedy for women's ills. At druggists: \$1.00.

The More the Merrier.

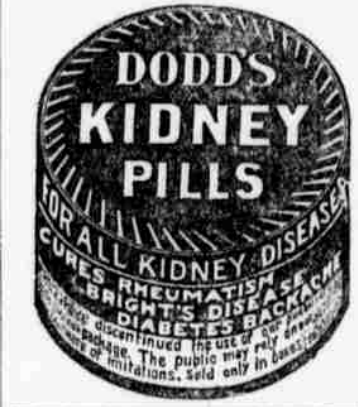
"I want to introduce you to a young lady—very nice girl—and she's worth her weight in gold." "Stout girl, I hope."—The Tatler.

Well Able to Stand It.

"But, doctor, I don't believe he can stand another operation." "Oh, yes he can, I looked him up in Bradstreet's."—Houston Post.

In a Chicago Kitchen.

The Cook—The mistress has a new husband. The Waiter—Do you think he'll stay?—Philadelphia Record.



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HAY FEVER

JOHN W. MORRIS, Washington, D. C. Successfully Prosecutes Claims. Late Principal Examiner U. S. Patent Bureau.

Are You Tired, Nervous and Sleepless?

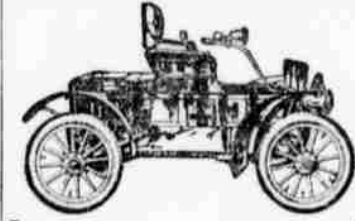
Nervousness and sleeplessness are usually due to the fact that the nerves are not fed on properly nourishing blood; they are starved nerves. Dr. Pierce's Golden Medical Discovery makes pure, rich blood, and thereby the nerves are properly nourished and all the organs of the body are run as smoothly as machinery which runs in oil. In this way you feel clear, strong and vigorous—you are toned up and invigorated, and you are good for a whole lot of physical or mental work. Best of all, the strength and increase in vitality and health are lasting. The trouble with most tonics and medicines which have a large, booming sale for a short time, is that they are largely composed of alcohol holding the drugs in solution. This alcohol shrinks up the red blood corpuscles, and in the long run greatly injures the system. One may feel exhilarated and better for the time being, yet in the end weakened and with vitality decreased. Dr. Pierce's Golden Medical Discovery contains no alcohol. Every bottle of it bears upon its wrapper the badge of *Honesty*, in a full list of all its several ingredients. For the druggist to offer you something he claims is "just as good" is to insult your intelligence.

Every ingredient entering into the world-famed "Golden Medical Discovery" has the unanimous approval and endorsement of the leading medical authorities of all the several schools of practice. No other medicine sold through druggists for like purposes has any such endorsement. The "Golden Medical Discovery" not only produces all the good effects to be obtained from the use of Golden Seal root, in all stomach, liver and bowel troubles, as in dyspepsia, biliousness, constipation, ulceration of stomach and bowels and kindred ailments, but the Golden Seal root used in its compounding is greatly enhanced in its curative action by other ingredients such as Stone root, Black Cherry bark, Bloodroot, Mandrake root and chemically pure triple-refined glycerine.

"The Common Sense Medical Adviser," is sent free in paper covers on receipt of 21 one-cent stamps to pay the cost of mailing only. For 31 stamps the cloth-bound volume will be sent. Address Dr. R. V. Pierce, Buffalo, N. Y.

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W. L. Douglas Strong Made Shoes for Men, \$2.50, \$3.00, Boys' School & Dress Shoes, \$2.50, \$3.00, \$3.50, \$4.00, \$4.50, \$5.00. CAUTION—Insist upon last name, W. L. Douglas shoes. No substitute. Name genuine within his name and price stamped on bottom. Fast Color Fast Colors. They will not wear away. Write for Illustrated Catalog.

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